

AUDITED FINANCIAL STATEMENT

CITY OF SILVER LAKE, KANSAS

December 31, 2017

Reese & Novelly, PA
Certified Public Accountants
Wamego, Kansas

Audited Financial Statement

City of Silver Lake, Kansas

Year Ended December 31, 2017

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REESE & NOVELLY, P.A.

Certified Public Accountants

Rick I. Reese, CPA
Nicholas J. Novelly, CPA
Carol E. McCullough, CPA

INDEPENDENT AUDITOR'S REPORT

The Mayor and City Council
City of Silver Lake, Kansas

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of City of Silver Lake, Kansas, as of and for the year ended December 31, 2017, and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with *Kansas Municipal Audit and Accounting Guide* as described in Note A; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the *Kansas Municipal Audit and Accounting Guide*. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note A of the financial statement, the financial statement is prepared by the City of Silver Lake, Kansas on the basis of the financial reporting provisions of the *Kansas Municipal*

Audit and Accounting Guide, which is a basis of accounting other than accounting principles generally accepted in the United States Of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note A and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the City of Silver Lake, Kansas, as of December 31, 2017, or changes in its financial position and cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balances of the City of Silver Lake, Kansas as of December 31, 2017, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note A.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual and budget, (Schedules 1 and 2 as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note A.

Wamego, Kansas
July 16, 2018

Reese & Nowell, P.A.

**FINANCIAL STATEMENT
AND NOTE DISCLOSURES**

**SUMMARY OF STATEMENT OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH
REGULATORY BASIS**

CITY OF SILVER LAKE, KANSAS

Year Ended December 31, 2017

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add	
						Encumbrances and Accounts Payable	Ending Cash Balance
Governmental Type Funds:							
General	\$ 178,148	\$ -	\$ 505,050	\$ 447,224	\$ 235,974	\$ -	\$ 235,974
Special Purpose Funds:							
Special Highway	160,688		61,476	60,150	162,014		162,014
Capital Improvement	35,126				35,126		35,126
Bicycle Safety	127				127		127
DARE	4,488		1,564	1,899	4,153		4,153
Nitrate Study	10,096				10,096		10,096
Special Park and Recreation	12,411		757		13,168		13,168
TOTAL SPECIAL PURPOSE FUNDS	222,936	-	63,797	62,049	224,684	-	224,684
Business Funds:							
Water/Sewer Utility	603,246		383,032	317,892	668,386		668,386
Utility Reserve	10,000				10,000		10,000
TOTAL BUSINESS FUNDS	613,246	-	383,032	317,892	678,386	-	678,386
TOTAL REPORTING ENTITY	\$ 1,014,330	\$ -	\$ 951,879	\$ 827,165	\$ 1,139,044	\$ -	\$ 1,139,044
Composition of Cash:							
Checking accounts							\$ 435,216
Money Market							278,188
Certificates of deposit							425,640
TOTAL REPORTING ENTITY							\$ 1,139,044

The notes to the financial statement are an integral part of this statement.

NOTES TO FINANCIAL STATEMENT

CITY OF SILVER LAKE, KANSAS

December 31, 2017

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Silver Lake, Kansas (Municipality) is a municipal corporation governed by an elected five-member council and mayor. The accounting policies of the Municipality conform to the cash-basis and budget laws of Kansas (regulatory basis). The following is a summary of the more significant policies:

1. The Financial Reporting Entity: The financial reporting entity of the City of Silver Lake, Kansas, is comprised of the primary government (the Municipality) only and does not include any related municipal entities.
2. Regulatory Basis Fund Types: The accounts of the Municipality are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its cash, liabilities, fund balance, receipts, and expenditures. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statement in this report, into generic regulatory basis fund types and broad fund categories as follows:

Governmental Funds

The General Fund is the chief operating fund of the Municipality. It is used to account for all financial resources except those that are required to be accounted for in another fund.

Special Purpose Funds are used to account for the proceeds of specific tax levies and other specific regulatory receipt sources (other than capital project and tax levies for long-term debt) that are intended for specified purposes.

Bond and Interest Funds are used to account for the accumulation of resources, including tax levies, transfer from other funds and payment of general long-term debt.

Capital Projects Funds are used to account for the debt proceeds and other financial resources to be used for the acquisition or construction of major capital facilities or equipment.

Business Funds

Business Funds are funds financed in whole or in part by fees charged to users of the goods or services (i.e. enterprise and internal service fund, etc.)

NOTES TO FINANCIAL STATEMENT

CITY OF SILVER LAKE, KANSAS

December 31, 2017

Fiduciary Funds

Trust Funds are used to report assets held in trust for the benefit of the municipal financial reporting entity (i.e. pension funds, investment trust funds, private purpose trust funds which benefit the municipal reporting entity, scholarship funds, etc.).

Agency Funds are used to account for assets held by the municipal reporting entity in a purely custodial capacity (payroll clearing fund, tax collection accounts, etc.).

3. Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America: The municipal reporting entity prepares the financial statements using *Kansas Municipal Audit and Accounting Guide (KMAAG)* regulatory basis of accounting, which is designed to demonstrate compliance with the cash basis and budget laws of the State of Kansas.

The *KMAAG* regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis receipts and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The *KMAAG* regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflow or outflows, other than those mentioned above.

The Municipality has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the municipality to use the *KMAAG* regulatory basis of accounting.

4. Budgetary Information: Kansas statutes require that an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by statute), bond and interest funds, and business funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:
 - a. Preparation of the budget for the succeeding calendar year on or before August 1.
 - b. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.
 - c. Public hearing on or before August 15, but at least ten days after publication of notice of hearing.
 - d. Adoption of the final budget on or before August 25.

NOTES TO FINANCIAL STATEMENT

CITY OF SILVER LAKE, KANSAS

December 31, 2017

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in regulatory receipts other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time. There were no such budget amendments for this year.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison schedules are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the regulatory basis of accounting in which regulatory receipts are recognized when cash is received and expenditures include disbursements, accounts payable and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year-end.

A legal operating budget is not required for capital project funds and certain special purpose funds (listed in the table of contents).

Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

5. Property Tax: The County Clerk calculates the final tax levy rates necessary to finance the budget subject to any legal limitations. After all budgets have been received and tax rates calculated, the clerk certifies the tax roll to and prepares tax statements for the County Treasurer, who receives payment.

Taxes levied to finance the budget are made available to the Municipality after January 1st and are distributed by the County Treasurer per statutes. At least 50% of the taxes levied are available in January. Delinquent tax collections are distributed throughout the year.

6. Cash and Investments: The Municipality uses an internally pooled cash system in which the cash balances from all funds are combined and invested to the extent available in certificates of deposit and other authorized investments. Earnings from these investments, unless specifically designated, are allocated to the general fund and the utility funds based upon their average cash balances. Investments are stated at cost, which approximates market.

NOTES TO FINANCIAL STATEMENT

CITY OF SILVER LAKE, KANSAS

December 31, 2017

7. Reimbursements: The Municipality records reimbursable expenditures in the fund that makes the disbursement and records reimbursements as a receipt to the fund that receives the reimbursement. For purposes of budgetary comparisons, the expenditures are properly offset by the reimbursements under *KMAAG* regulatory basis accounting.

NOTE B – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

There were no statutory violations noted in 2017.

NOTE C – DEPOSITS AND INVESTMENTS

As of December 31, 2017, the Municipality's investments consisted of short-term certificates of deposit.

K.S.A. 9-1401 establishes the depositories which may be used by the Municipality. The statute requires banks eligible to hold the Municipality's funds have a main or branch bank in the county in which the Municipality is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds.

In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The Municipality has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the Municipality's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The Municipality has no investment policy that would further limit its investment choices. The Municipality had no investments other than certificates of deposit, which are included in the bank deposits; therefore they do not have a rating.

Concentration of credit risk: State statutes place no limit on the amount the Municipality may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405.

Custodial credit risk – deposits: Custodial credit risk is the risk that in the event of a bank failure, the Municipality's deposits may not be returned to it. State statutes require the Municipality's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The Municipality had no agreements for designated "peak periods." All deposits were legally secured at December 31, 2017.

NOTES TO FINANCIAL STATEMENT

CITY OF SILVER LAKE, KANSAS

December 31, 2017

At December 31, 2017, the carrying amount of the Municipality's deposits, including certificates of deposit, was \$1,139,044 and the bank balance was \$1,175,223. The bank balance was held by one bank which did result in a concentration of credit risk. Of the bank balance, \$500,000 was covered by federal depository insurance and \$675,223 was collateralized with securities held by the pledging financial institutions' agents in the Municipality's name.

Custodial credit risk – investments: For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the Municipality will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured.

NOTE D—LONG TERM DEBT

The following is a summary of debt transactions of the Municipality for the year ended December 31, 2017. See Notes K and L for the schedules of long-term liabilities and current maturities of long-term debt.

	Payable Beginning of Year	Issued	Retired	Payable End of Year
Revolving Notes	\$ 832,022	\$	\$ 46,392	\$ 785,630
Capital Leases	6,142		6,142	-
Total	<u>\$ 838,164</u>	<u>\$</u>	<u>\$ 52,534</u>	<u>\$ 785,630</u>

Total interest expense for the year was \$18,717.

NOTES TO FINANCIAL STATEMENT

CITY OF SILVER LAKE, KANSAS

December 31, 2017

NOTE E—DEFINED BENEFIT PENSION PLAN

General Information about the Pension Plan

Plan Description: The Municipality participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing, multiple-employer defined benefit pension plan as provided by K.S.A 74-4901, et. seq. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. KPERS' financial statements are included in its Comprehensive Annual Financial Report which can be found on the KPERS website at www.kpers.org or by writing to KPERS (611 South Kansas, Suite 100; Topeka, KS 66603) or by calling 1-888-275-5737.

Contributions: K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2, or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009. KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established KPERS member-employee contribution rate at 6% of covered salary for KPERS 1, KPERS 2, and KPERS 3 members. Member contribution are withheld by their employer and paid to KPERS according to provisions of Section 414(h) of the Internal Revenue Code.

State law provides that the employer contribution rates for KPERS 1, KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on the annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1% contribution rate with a 0% moratorium from the period of January 1, 2017 through September 30, 2017 for Death and Disability Program) and the statutory contribution rate was 8.46% for the fiscal year ended December 31, 2017. Contributions to the pension plan from the Municipality were \$20,427 for the year ended December 31, 2017.

Net Pension Liability

At December 31, 2017, the Municipality's proportionate share of the collective net pension liability reported by KPERS was \$187,111. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016, which was rolled forward to June 30, 2017. The Municipality's proportion of the net pension liability was based on the ratio of the Municipality's contributions to KPERS, relative to the total employer and non-employer contributions of the Local subgroup within KPERS. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in this financial statement.

The complete actuarial valuation report including all actuarial assumptions and methods, and the report on the allocation of the KPERS collective net pension liability to all participating employers are publicly available at www.kpers.org or can be obtained as described above.

NOTES TO FINANCIAL STATEMENT

CITY OF SILVER LAKE, KANSAS

December 31, 2017

NOTE F—OTHER POST EMPLOYMENT BENEFIT

As provided by K.S.A. 12-5040, the municipality allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the municipality is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in these financial statements.

Under the Consolidated Budget Reconciliation Act (COBRA), the municipality makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured.

NOTE G—COMPENSATED ABSENCES

The Municipality maintains a policy of providing vacation, compensatory time, and sick leave to its employees that qualify, granted in varying amounts depending on length of service and date of hire. All vacation time must be taken in the year available. No unused vacation time may be carried over to the following year. Employees will be paid for unused accrued vacation time, compensatory time, and personal leave days upon termination of employment. Unused sick leave days will not be paid by the Municipality upon termination of employment.

The Municipality accounts for compensated absences when they are paid. At December 31, 2017, the Municipality estimates that the accrued liability for accumulated compensated absences is not material to the financial statement.

NOTE H—COMMITMENTS AND CONTINGENCIES

Risk Management: The Municipality is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Municipality manages these various risks of loss through commercial insurance with varying deductibles. All deductibles are \$2,500 or less. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

NOTE I—TRANSFERS

There were no operating transfers in 2017.

NOTE J—MANAGEMENT'S REVIEW OF SUBSEQUENT EVENTS

In preparing these financial statements, the Municipality has evaluated events and transactions for potential recognition or disclosure through July 16, 2018 the date the financial statements were available to be issued.

NOTES TO THE FINANCIAL STATEMENT

CITY OF SILVER LAKE, KANSAS

NOTE K - SCHEDULE OF LONG-TERM DEBT

The following is a schedule of changes in long term debt for the City for the year ended December 31, 2017

	Interest Rate	Date of Issue	Original Amount	Date of Final Maturity	Beginning Balance	Issued	Retired	Net Change	Ending Balance	Interest Paid
KDHE Revolving Loan										
Pollution control revolving loan fund	2.68%	2/14/2006	\$ 343,626	9/1/2027	\$ 211,241	\$ -	\$ 16,751	\$ (16,751)	\$ 194,490	\$ 5,550
Pollution control revolving loan fund	2.12%	1/28/2013	692,565	3/1/2034	620,781		29,641	(29,641)	591,140	13,004
Capital Lease										
2015 Ford F-250	2.65%	6/2/2014	18,040	2/20/2017	6,142		6,142	(6,142)	-	163
TOTAL INDEBTEDNESS			<u>\$ 1,054,231</u>		<u>\$ 838,164</u>	<u>\$ -</u>	<u>\$ 52,534</u>	<u>\$ (52,534)</u>	<u>\$ 785,630</u>	<u>\$ 18,717</u>

NOTES TO THE FINANCIAL STATEMENT

CITY OF SILVER LAKE, KANSAS

NOTE L: SCHEDULE OF MATURITY OF LONG TERM DEBT

The current maturities of long term debt and interest for the next five years and in five year increments through maturity is as follows:

	2018	2019	2020	2021	2022	2023-2027	2028-2032	2033-2037	Total
PRINCIPAL									
Revolving loan									
Pollution control revolving loan fund 2006	\$ 17,203	\$ 17,667	\$ 18,144	\$ 18,633	\$ 19,136	\$ 103,707	\$	\$	\$ 194,490
Pollution control revolving loan fund 2013	30,272	30,918	31,577	32,249	32,937	175,517	195,035	62,635	591,140
TOTAL PRINCIPAL	47,475	48,585	49,721	50,882	52,073	279,224	195,035	62,635	785,630
INTEREST									
Revolving loan									
Pollution control revolving loan fund 2006	5,098	4,634	4,157	3,668	3,165	7,795			28,517
Pollution control revolving loan fund 2013	12,373	11,727	11,068	10,396	9,708	37,707	18,190	1,333	112,502
TOTAL INTEREST	17,471	16,361	15,225	14,064	12,873	45,502	18,190	1,333	141,019
TOTAL PRINCIPAL AND INTEREST	\$ 64,946	\$ 64,946	\$ 64,946	\$ 64,946	\$ 64,946	\$ 324,726	\$ 213,225	\$ 63,968	\$ 926,649

**REGULATORY-REQUIRED
SUPPLEMENTARY INFORMATION**

**SUMMARY OF EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
BUDGETED FUNDS ONLY (SCHEDULE 1)**

CITY OF SILVER LAKE, KANSAS

Year Ended December 31, 2017

Funds	Certified Budget	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Favorable (Unfavorable) Variance
Governmental Type Funds:					
General	\$ 534,000		\$ 534,000	\$ 447,224	\$ 86,776
Special Purpose Funds:					
Special Highway	86,000		86,000	60,150	25,850
DARE	2,500		2,500	1,899	601
Special Park and Recreation	10,000		10,000		10,000
Business Funds:					
Water/sewer utility	766,500		766,500	317,892	448,608

See independent auditor's report.

**SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
GENERAL FUND (SCHEDULE 2)**

CITY OF SILVER LAKE, KANSAS

Year Ended December 31, 2017

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Taxes and shared revenues	\$ 291,346	\$ 298,707	\$ 7,361
Franchise fees	70,000	73,447	3,447
Sales tax	73,000	85,838	12,838
Licenses and permits	1,100	1,631	531
Fines, forfeitures, and penalties	15,000	23,816	8,816
Use of property	3,000	5,777	2,777
Interest	1,500	2,977	1,477
Miscellaneous	10,000	12,857	2,857
Transfers in	1,000		(1,000)
TOTAL CASH RECEIPTS	465,946	505,050	39,104
Expenditures:			
Administration	170,700	140,257	30,443
Law enforcement	281,250	238,939	42,311
Street department	68,050	56,370	11,680
Park	7,000	5,073	1,927
Street lighting	7,000	6,585	415
TOTAL EXPENDITURES	534,000	447,224	86,776
RECEIPTS OVER (UNDER) EXPENDITURES	(68,054)	57,826	\$ 125,880
Beginning Unencumbered Cash Balance	68,054	178,148	
ENDING UNENCUMBERED CASH BALANCE	\$ -	\$ 235,974	

See independent auditor's report.

**SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS - SPECIAL HIGHWAY
SPECIAL PURPOSE FUND (SCHEDULE 2)**

CITY OF SILVER LAKE, KANSAS

Year Ended December 31, 2017

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Taxes and shared revenues	\$ 56,410	\$ 61,476	\$ 5,066
TOTAL CASH RECEIPTS	56,410	61,476	5,066
Expenditures:			
Contractuals and other expenditures		690	(690)
Capital outlay	86,000	59,460	26,540
TOTAL EXPENDITURES	86,000	60,150	25,850
RECEIPTS OVER (UNDER) EXPENDITURES	(29,590)	1,326	\$ 30,916
Beginning Unencumbered Cash Balance	124,437	160,688	
ENDING UNENCUMBERED CASH BALANCE	\$ 94,847	\$ 162,014	

See independent auditor's report.

**SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS
CAPITAL IMPROVEMENT FUND (NON-BUDGETED)
SPECIAL PURPOSE FUND (SCHEDULE 2)**

CITY OF SILVER LAKE, KANSAS

Year Ended December 31, 2017

	<u>Actual</u>
Cash Receipts:	\$ -
Expenditures:	<u>-</u>
RECEIPTS OVER (UNDER) EXPENDITURES	
Beginning Unencumbered Cash Balance	<u>35,126</u>
ENDING UNENCUMBERED CASH BALANCE	<u><u>\$ 35,126</u></u>

See independent auditor's report.

**SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS
BICYCLE SAFETY (NON-BUDGETED)
SPECIAL PURPOSE FUND (SCHEDULE 2)**

CITY OF SILVER LAKE, KANSAS

Year Ended December 31, 2017

	<u>Actual</u>
Cash Receipts:	\$ -
Expenditures:	<u>-</u>
RECEIPTS OVER (UNDER) EXPENDITURES	
Beginning Unencumbered Cash Balance	<u>127</u>
ENDING UNENCUMBERED CASH BALANCE	<u><u>\$ 127</u></u>

See independent auditor's report.

**SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS - DARE
SPECIAL PURPOSE FUND (SCHEDULE 2)**

CITY OF SILVER LAKE, KANSAS

Year Ended December 31, 2017

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Donations	\$ 500	\$ 1,564	\$ 1,064
TOTAL CASH RECEIPTS	500	1,564	1,064
Expenditures:			
Commodities	2,500	1,899	601
TOTAL EXPENDITURES	2,500	1,899	601
RECEIPTS OVER (UNDER) EXPENDITURES	(2,000)	(335)	\$ 1,665
Beginning Unencumbered Cash Balance	3,201	4,488	
ENDING UNENCUMBERED CASH BALANCE	\$ 1,201	\$ 4,153	

See independent auditor's report.

**SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS
NITRATE STUDY (NON-BUDGETED)
SPECIAL PURPOSE FUND (SCHEDULE 2)**

CITY OF SILVER LAKE, KANSAS

Year Ended December 31, 2017

	<u>Actual</u>
Cash Receipts:	\$ -
Expenditures:	<u>-</u>
RECEIPTS OVER (UNDER) EXPENDITURES	
Beginning Unencumbered Cash Balance	<u>10,096</u>
ENDING UNENCUMBERED CASH BALANCE	<u><u>\$ 10,096</u></u>

See independent auditor's report.

**SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS - SPECIAL PARK AND RECREATION
SPECIAL PURPOSE FUND (SCHEDULE 2)**

CITY OF SILVER LAKE, KANSAS

Year Ended December 31, 2017

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Taxes and shared revenues	\$ -	\$ 757	\$ 757
TOTAL CASH RECEIPTS		757	757
Expenditures:			
Capital outlay	10,000		10,000
TOTAL EXPENDITURES	10,000		10,000
RECEIPTS OVER (UNDER) EXPENDITURES	(10,000)	757	<u>\$ 10,757</u>
Beginning Unencumbered Cash Balance	10,788	12,411	
ENDING UNENCUMBERED CASH BALANCE	<u>\$ 788</u>	<u>\$ 13,168</u>	

See independent auditor's report.

**SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS - WATER/SEWER UTILITY
BUSINESS FUND (SCHEDULE 2)**

CITY OF SILVER LAKE, KANSAS

Year Ended December 31, 2017

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Charges for services	\$ 342,600	\$ 354,337	\$ 11,737
Interest	667	805	138
Miscellaneous	23,724	27,890	4,166
TOTAL CASH RECEIPTS	366,991	383,032	16,041
Expenditures:			
Personnel expenditures	160,500	153,513	6,987
Contractuals and other expenditures	104,000	67,779	36,221
Commodities	35,000	25,349	9,651
Capital outlay	402,000	6,305	395,695
Debt payments:			
Principal	63,000	46,392	16,608
Interest		18,554	(18,554)
Transfers out	2,000		2,000
TOTAL EXPENDITURES	766,500	317,892	448,608
RECEIPTS OVER (UNDER) EXPENDITURES	(399,509)	65,140	\$ 464,649
Beginning Unencumbered Cash Balance	498,148	603,246	
ENDING UNENCUMBERED CASH BALANCE	\$ 98,639	\$ 668,386	

See independent auditor's report.

**SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS
WATER/SEWER UTILITY FUND (NON-BUDGETED)
SPECIAL PURPOSE FUND (SCHEDULE 2)**

CITY OF SILVER LAKE, KANSAS

Year Ended December 31, 2017

	<u>Actual</u>
Cash Receipts:	\$ -
Expenditures:	<u>-</u>
RECEIPTS OVER (UNDER) EXPENDITURES	
Beginning Unencumbered Cash Balance	<u>10,000</u>
ENDING UNENCUMBERED CASH BALANCE	<u><u>\$ 10,000</u></u>

See independent auditor's report.